

HOUSE BILL 2421
By Hargett

AN ACT to amend Tennessee Code Annotated, Title 2, Chapter 10,
Part 1, relative to campaign finance disclosure.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 2-10-102, is amended by adding the following as a new, appropriately designated subdivision:

() "Slate mailer" means a mass mailing which supports or opposes a total of four (4) or more candidates for state public office.

SECTION 2. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following as a new section:

Section _____. The secretary of state, in consultation with the registry of election finance, notwithstanding any other provision of the law to the contrary, shall do all of the following:

(a) Develop an online filing process for use by certain persons and entities specified in T.C.A. §2-10-102, requiring such persons and entities to file statements and reports with the secretary of state's office. As part of that process, the secretary of state shall define a nonproprietary standardized record format or formats using industry standards for the transmission of the data required of those persons and entities specified in T.C.A. §2-10-102, and which conforms with the disclosure requirements of this section. The secretary of state shall hold public hearings prior to development of the record format as a means

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to ensure that affected entities have an opportunity to provide input into the development process. The format or formats shall be made public no later than September 1, 1999, to ensure sufficient time to comply with the requirements of this section.

(b) Accept test files, from software vendors and others wishing to file reports electronically, for the purpose of determining whether the file format is in compliance with the standardized record format developed pursuant to subsection (a) and is compatible with the secretary of state's system for receiving the data. A list of software and service providers who have submitted acceptable test files shall be published by the secretary of state and made available to the public. Acceptably formatted files shall be submitted by a filer in order to meet the requirements of this section.

(c) Develop a system that provides for the online transfer of the data specified in this section utilizing telecommunications technology, which assures the integrity of the data transmitted, and creates safeguards against efforts to tamper with or subvert the data.

(d) Make all the data filed online available on the largest nonproprietary, nonprofit, cooperative public network of computer networks in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. All late contribution and late independent expenditure reports, and those reports required by T.C.A. §2-10-105(h), shall be made available online within twenty-four (24) hours of receipt. The data made available shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms.

(e) Develop a procedure for filers to comply with the requirement that they sign under penalty of perjury.

(f) Maintain all filed data online for eight (8) years after the date it is filed, and then archive the information in a secure format.

(g) Provide assistance to those seeking public access to the information.

(h) Consult with the office of information resources and implement sufficient technology to seek to prevent unauthorized alteration or manipulation of the data. The online disclosure system shall not become operative until the office of information resources approves the system.

(i) Provide the registry of election finance with necessary information to enable it to assist agencies, public officials, and others, with the compliance and administration of this section.

(j) Report to the general assembly on the implementation and development of the online filing and disclosure requirements of this section. The report shall include an examination of system security, private security issues, software availability, compliance costs to filers, and other issues relating to this section, recommending appropriate changes if necessary. In preparing the report, the registry of election finance may present to the secretary of state and the general assembly its comments regarding this section as it relates to the duties of the registry of election finance and suggest appropriate changes if necessary.

(k) The secretary of state, once all state-mandated development, procurement, and oversight requirements have been met, shall make public their availability to accept reports online. Any filer may then commence voluntarily filing online any required report or statement that is otherwise required to be filed

with the secretary of state, however such online filings shall not constitute a filing as specified in the reporting requirements of § 2-10-105.

(l) The secretary of state shall implement an online disclosure program in connection with the 2000 state primary election, and all subsequent state primary elections, and the lobbying activities specified in subdivision (4) of this subsection. Entities specified in subdivisions (1), (2) and (3) of this subsection shall commence online disclosure with the first preelection statement for any state election cycle beginning in the year 2000, and shall continue to disclose online all required reports and statements for all subsequent state elections. Entities specified in subdivision (4) of this subsection shall commence online disclosure with the quarterly report for the period ending March 31, 2000, and shall continue to disclose online all required reports and statements at the end of each quarterly period thereafter. The entities subject to this subsection include the following:

(1) Any candidate for state public office, committee, or other persons who are required to file statements, reports, or other documents in connection with a state elective office, provided that the total cumulative reportable amount of contributions received, expenditures made, loans made or received within one (1) year prior to the state general election is five thousand dollars (\$5,000) or more.

(2) Any multi-candidate political campaign committee, or political campaign committee that cumulatively receives contributions or makes expenditures totaling five thousand dollars (\$5,000) or more within one (1) year prior to the state general election to support or oppose candidates for any elective state office.

(3) Any slate mailer organization with cumulative reportable payments received or made for the purposes of producing slate mailers of five thousand dollars (\$5,000) or more within one (1) year prior to the state general election.

(4) Any lobbyist, lobbying firm, lobbyist employer or other persons required, pursuant to this section, to file statements, reports, or other documents provided that the total amount of any category of reportable payments, expenses, contributions, gifts or other items is five thousand dollars (\$5,000) or more in a calendar quarter.

SECTION 5. This act shall take effect July 1, 1998, the public welfare requiring it.